

This letter provides a reference to the Department's rules regarding isolated or occasional sales. See 86 Ill. Adm. Code 130.110. (This is a GIL.)

March 15, 2004

Dear Xxxxx:

This letter is in response to your letter dated October 24, 2003, in which you request information. We apologize for the delay in responding to your inquiry. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We have been engaged by a client to inquire the taxability of an occasional asset transfer that will occur on January 1, 2004. We are requesting a written ruling on whether sales tax would or would not apply to this transaction. Following is a brief description of the transaction and the resulting reorganization.

Our client intends to merge partnerships that are in the lodging business and currently segregated into one master Limited Liability Corporation (LLC). A bulk transfer of assets from these original entities will be transferred onto the master LLC at fair market value with the original partnerships ceasing to exist. No money will exchange hands in this transaction. Furthermore, the operations of all of the hotels will substantially continue in the new master's LLC as they had previously been doing.

Please respond via mail to our inquiry at the address listed below. We appreciate your assistance in this matter. If you have additional questions relating to this transaction, please contact us. We look forward to your response and request that your ruling be received in our office by December 1, 2003 if possible:

**DEPARTMENT'S RESPONSE:**

We regret that we cannot provide you with a specific answer in the context of a General Information Letter. You have asked about information regarding isolated or occasional sales. Please see the Department's rules on our website regarding occasional sales. 86 Ill. Adm. Code 130.110. You may also want to review some of the letter rulings provided on our website regarding this topic, such as ST 03-0058 GIL (April 7, 2003).

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton  
Associate Counsel

TDC:msk